

**LEGISLATIVE SERVICES AGENCY
OFFICE OF FISCAL AND MANAGEMENT ANALYSIS**

301 State House
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FISCAL IMPACT STATEMENT

LS 6182

BILL NUMBER: SB 52

DATE PREPARED: Nov 10, 2000

BILL AMENDED:

SUBJECT: Arts Commission Trust Fund.

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FUNDS AFFECTED: **GENERAL**
 X DEDICATED
 FEDERAL

IMPACT: State & Local

Summary of Legislation: This bill removes the requirement that the Arts Commission Trust Fund contain \$50M before the interest and earnings on the fund are annually appropriated to the Arts Commission.

Effective Date: July 1, 2001.

Explanation of State Expenditures:

Explanation of State Revenues: The Indiana Arts Commission Trust Fund was established to support the programs and the administrative budget of the Arts Commission. The fund consists of appropriations from the General Assembly, donations, interest and dividends on assets of the fund, transfers to the fund from other funds, fees from the Indiana Arts Trust license plate, and other sources. The primary source of revenue for the fund, however, will be revenue generated from the sale of the Indiana Arts Trust license plate. Legislation providing for the Indiana Arts license plate went into effect January 1, 2000.

As of November 6, 2000, the Fund had received \$11,800 for FY 2001. The total account balance as of November 6, 2000, was \$16,275.

Under current law, the Arts Commission will not receive an appropriation from the fund until there is \$50M in the fund. When the fund reaches \$50M, the Commission is to receive all interest and dividend earnings to fund arts projects. The fund was created as an endowment fund and established a base to generate income. Appropriating money to the Commission before the fund reaches \$50M will result in the Commission receiving money from the fund earlier; however, this earlier distribution from the fund may eliminate or delay the point in time when the Commission could generate a significant amount of interest income and dividends from the fund.

Explanation of Local Expenditures:

Explanation of Local Revenues: Local units are eligible to receive funding. The proposal could affect local funding. However, the specific impact is indeterminable.

State Agencies Affected: Indiana Arts Commission

Local Agencies Affected: Local units eligible to receive funding

Information Sources: Auditor of State, Appropriation/Allotment Trial Balance